

Exhibit 1

February 14, 2006

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

| | | |
|---|---|-------------------------|
| In re: |) | |
| |) | |
| W. R. GRACE & CO., <i>et al.</i> ¹ , |) | Chapter 11 |
| |) | |
| Debtors. |) | Case No. 01-01139 (JKF) |
| |) | (Jointly Administered) |

**STIPULATION RESOLVING CLAIMS OF SOUTH CAROLINA
DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL**

This stipulation is entered into this 28th day of February, 2006, between W.R. Grace & Co. and its affiliates (collectively, the "Debtors") and the South Carolina Department of Health and Environmental Control ("Claimant").

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Cirpe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food & N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomsville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace FAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc.), Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprise, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

WHEREAS, on April 2, 2001 (the "Petition Date"), the Debtors commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

WHEREAS, this Court issued its Bar Date Order on April 22, 2002, which established March 31, 2003 as the Bar Date for the filing of certain pre-petition (a) non-asbestos, (b) asbestos property damage, and (c) medical monitoring claims.

WHEREAS, Claimant filed one Proof of Claim against the Debtors with respect to the site located on Herbert Street, Charleston, South Carolina designated SCD 003-343-191 and the site known as the Cryovac Dump site designated SCD 980-844-021 (the "Sites"):

| <u>Claim No.</u> | <u>Amount</u> | <u>Priority</u> | <u>Basis</u> |
|------------------|---------------|-------------------------|-----------------|
| 14736 | \$ 43,536 | Unsecured, Non-Priority | Oversight costs |

WHEREFORE, for good and valuable consideration, the parties hereby stipulate and agree as follows:

1. Claim Number 14736 shall be allowed as an unsecured, pre-petition, non-priority claim against the chapter 11 estates of the Debtors in the amount of \$ 43,536 which allowed claim is inclusive of pre or post-petition interest up to the effective date of the Debtors' anticipated confirmed chapter 11 Plan or Plans (the "Plan"). All other amounts outlined in Claim No. 14736 shall hereby be disallowed and expunged.

2. The Debtors acknowledge a pre-petition, unsecured, non-priority claim of Claimant in the total amount of \$ 43,536 which claim will be paid in the same manner as all other similarly situated claims, pursuant to the Debtors Plan, without any further obligation of Claimant to submit invoices or other documentation for the costs of the work outlined herein to reimburse the South Carolina Hazardous Waste Contingency Fund (Fund Number R.200).

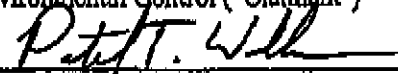
3. Upon approval of this Stipulation by the Bankruptcy Court, the Debtors shall direct their Claims Agent, Rust Consulting, Inc. ("Claims Agent"), to mark the Claims Register to reflect that Claim No. 14736 shall be Allowed as outlined herein.

4. Claimant agrees that it is forever barred, estopped, and enjoined from asserting any additional pre-petition or post-petition claims against the Debtors with respect to any pre-petition costs relating to the Sites.

5. The parties shall take whatever additional action, if any, is necessary to make sure that Claim No. 14736 is allowed as outlined herein.


South Carolina Department of Health and
Environmental Control ("Claimant")

By:



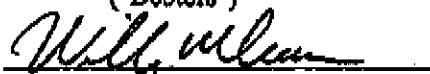
Pat Walker
Bureau Chief
Land & Waste Management

By:


Jacquelyn Dickman
Deputy General Counsel

W. R. Grace & Co., et al.
("Debtors")

By:



William M. Corcoran
Vice President
Public and Regulatory Affairs